



Media Fact Sheet

Commonwealth Financial Accountability Review (CFAR)



About

The Commonwealth Financial Accountability Review (CFAR) was announced by the Minister for Finance and Deregulation, Senator the Hon Penny Wong on 8 December 2010.

CFAR forms an important part of the Australian Government's Better Government agenda. This agenda is concerned with ensuring that there is an appropriate framework within which the government and the public sector can work effectively, irrespective of particular settings or policy priorities.

CFAR covers a range of activities to improve delivery of government policies and programs and upgrade the public management framework generally. CFAR is examining the Australian Government's current financial framework including funding arrangements, governance, performance and accountability from first principles, to identify options for reform that will support high quality resource management and performance now and into the future.

Why is CFAR needed?

As the pace of economic and social change quickens, governments must be more responsive than ever. This is at a time when public finances are under increasing pressure and the public sector is expected to do more with less. This includes covering a range of risks that may not previously have been considered the responsibility of the public sector.

Changes are already occurring in the way government meets citizens' expectations and policy challenges. Increasingly, the government collaborates and partners with other jurisdictions, sectors and parties in designing and delivering services. Over time this is likely to include greater participation by citizens in service design and delivery.

This will challenge historical concepts of accountability, transparency and bureaucratic control.

The objective of CFAR against this background is to improve performance, accountability and risk management across government, through a framework that is simple, easy to use and valued by all stakeholders.

When was the last Financial Framework review completed?

Changes to financial management arrangements in the 1980s and 1990s culminated in the introduction of the [Financial Management and Accountability Act 1997](#) and the [Commonwealth Authorities and Companies Act 1997](#). Since that time however there have been significant changes to government financial arrangements and practices that were not envisaged at that time, including:

- accrual budgeting and reporting reforms in 1999
- the introduction of the Goods and Services Tax in 2000 and
- new funding arrangements between the Commonwealth and the states and territories under the Federal Financial Relations Act 2009.

Why was a Discussion Paper released?

The Commonwealth Financial Accountability Review Discussion Paper, [Is Less More? Towards Better Commonwealth Performance](#) was released in March 2012 to promote consultation and stimulate public discussion.

What was the purpose of the Discussion Paper?

The CFAR Discussion Paper, [*Is Less More? Towards Better Commonwealth Performance*](#) was released by the Minister for Finance and Deregulation, Senator the Hon Penny Wong, on 27 March 2012 to promote consultation, stimulate public discussion, and to inform the development of options to be considered by the Government.

What opportunities have there been for Discussion Paper consultants and feedback?

Submissions were sought from interested parties in relation to the Discussion Paper by 29 June 2012 and wide-ranging consultations were organised from April through to June as well as ongoing discussions with a number of interested parties during the balance of 2012.

The CFAR team held Open Sessions in all capital cities as well as Townsville and Alice Springs through April - May 2012. To support the release of the Discussion Paper, and discussions were arranged with individuals and organisations from different levels of government, the private and not-for-profit sectors and academia seeking to contribute their views on opportunities to improve the financial framework.

Approximately 70 written submissions were received in relation to the discussion paper, across government agencies, business and community organisations. These views were taken into account in developing positions for further consultation and presentation to government. The Discussion Paper feedback summary can be accessed on the [CFAR blog](#).

What is the purpose of the recently released Position Paper?

The Commonwealth Financial Accountability Review Position Paper, [*Sharpening the Focus, A Framework for Improving Commonwealth Performance*](#) was released publicly by the Minister for Finance and Deregulation on 23 November 2012.

The Position Paper reflects input received in the submissions to the Discussion Paper and through consultations to date. It is to be noted that the positions outlined have not received government approval and do not represent the views of the Australian government, but respond to a key request arising from the consultations of providing greater detail and firmer propositions for consideration.

What type of consultation is being undertaken for the Position Paper?

Throughout December 2012, January and February 2013 the CFAR Project Management Team will be undertaking an intensive consultation process. This will include a series of focus groups on specific issues with affected parties, Open Sessions on broader matters and scheduling meetings with individuals and organisations seeking to discuss matters in detail. More information can be found on the [CFAR Blog](#) or by contacting the CFAR team via CFAR@finance.gov.au.



Other useful links

- [CFAR Blog](#)
- The Commonwealth Financial Accountability Review Discussion Paper, [*Is Less More? Towards Better Commonwealth Performance*](#)
- [The Commonwealth Financial Accountability Review Position Paper](#)